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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2003 Assembly Bill 133</b>	<b>Assembly Substitute Amendment 1</b>
<i>Memo published: September 19, 2003</i> <i>Contact: William Ford, Senior Staff Attorney (266-0680)</i>	

**Current law** allows a person to pay his or her real property taxes in an annual payment, due by January 31, or in two installments, the first due by January 31 and the second by July 31. In addition, current law authorizes a municipality (city, village, or town) to adopt an ordinance that allows real property taxes to be paid in three or more installments. In addition, current law authorizes a municipality to adopt an ordinance that allows **special assessments** to be paid in two or more installments, or in three or more installments if a municipality has also adopted an ordinance allowing real property taxes to be paid in three or more installments.

The annual interest rate charged on delinquent payments of real property taxes and special assessments is 12%. In addition, current law authorizes a county to impose a penalty at an annual interest rate of up to 6% on delinquent property taxes and special assessments.

In addition to interest and penalty, a person who is delinquent with respect to an installment payment of real property taxes in effect loses the right to make any subsequent payment of real property taxes in installments. When an installment payment of real property taxes is delinquent, interest and penalty are charged from the previous February 1 on the entire amount of unpaid real property taxes.

If an installment payment of a special assessment is delinquent, interest and penalty are charged on the entire annual unpaid amount of the special assessment and on any unpaid real property taxes, from February 1.

**Assembly Substitute Amendment 1** provides that, if an installment payment of real property taxes or special assessments is delinquent, interest and penalty is charged only on the amount of the delinquent installment payment (not the amount of unpaid real property taxes or special assessments) and only from the day after the delinquent installment payment was due (not from the preceding February 1). The effect of the substitute amendment is that a person would retain the right to make subsequent installment payments of real property taxes or special assessments without interest and

penalty, even if the person is delinquent in an installment payment of real property taxes or special assessments.

The primary difference between Assembly Substitute Amendment 1 and the original bill is that the original bill provided a “grace period” of five days after a payment due date within which a property tax payment could be made without incurring a penalty. Assembly Substitute Amendment 1 does not establish a grace period but, rather, provides that interest and penalty is charged only on the amount of the delinquent installment payment and only from the day after the delinquent installment payment was due, without requiring the payment to be made within any grace period.

### **Legislative History**

The Assembly Committee on Ways and Means adopted Assembly Substitute Amendment 1 by a vote of Ayes, 12; Noes, 1, and recommended Assembly Bill 133, as amended, for passage by a vote of Ayes, 12; Noes, 1, on May 14, 2003.

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